

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Health Plan Benefits Group

7500 Security Boulevard, C4-23-

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Baltimore, MD 21244

DATE: May 3, 2002

TO: Medicare+Choice Organizations
Section 1876 Cost-based Contractors

FROM: Director
Health Plan Benefits Group

SUBJECT: Instructions for the 2003 Contract Year

I am pleased to send you the instructions for the 2003 contract year. To assist you in locating the information you will need over the next several months we have placed the contract renewal and non-renewal instructions into the same document. Parts I-III contain all of the information necessary for renewing contracts and Part IV describes the non-renewal process. Part V lists important contacts.

I would like to highlight several items in this year's instructions. M+COs will have a new opportunity to offer a reduction of the Medicare Part B premium as an enrollment incentive beginning in January 2003. (Section 606 of the Benefits Improvements and Protection Act of 2000 BIPA). Detailed information on this program is included with these instructions. We have provided guidance on ways to structure cost sharing to ensure Centers for Medicare & Medicaid Services regulations are met. Instructions on how to implement the significantly streamlined risk adjustment system are included. There is additional information on Employer Group Health Plan waivers. The section describing M+C Plan renewals is intended to assist you in your 2003 planning processes.

If you have specific questions about any of these instructions please contact the analyst listed in Part V or send an e-mail to Darin Wipperman at Dwipperman@cms.hhs.gov.

Thank you

/s/

Gary A. Bailey

Attachment:
Instructions for the 2003 Contract Year